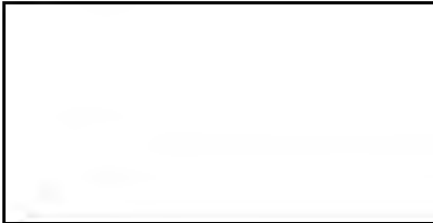


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Communist China: [Chinese Communist Ambassador Wang in Warsaw has requested an emergency meeting with US Ambassador Cabot in order to deliver an "urgent message." No hint of the subject of the message was given, but it is likely that it will expand on Chinese Communist charges of US "aggressive intent" against the mainland in the wake of the downing of a Chinese Nationalist U-2 a week ago.]

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[The Chinese Communists have been bending every effort to pin responsibility for the flight on the US, and in an editorial in the 15 September People's Daily said that the plane's intrusion exposed as "phony" US statements that "disapproved" of an invasion of China by Chiang Kai-shek. The paper declared that the overflight was an important step in US active preparations for aggression against China.]

[In addition, the Chinese ambassador may again bring up the question of US naval patrols off Tsingtao. At the last regular meeting of the two ambassadors Wang said that such operations have "gone too far to be tolerated."]

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DAILY BRIEF

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West New Guinea: [The Sukarno government is making intensive preparations to ensure permanent Indonesian control of West New Guinea. The Dutch-Indonesian agreement of 15 August provides for self-determination of the area before the end of 1969.]

[Initial Indonesian efforts will be directed toward winning the loyalties of the native Papuans through propaganda and basic economic development. President Sukarno is also counting on settling large numbers of Javanese in West New Guinea over a five-year period in order to overwhelm any native sentiment for autonomy. Sukarno has implied that he will authorize "sterner measures" if his efforts to win over the [redacted] Papuans fail.]

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DAILY BRIEF

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USSR-IRAQ: [The USSR is to provide Iraq with five surface-to-air missile (SAM) sites. One is to be used for training purposes, and the other four apparently will be to defend Baghdad. Equipment for the training site is scheduled for delivery this year, while that for the other sites is to be supplied next year.]

[Soviet missile experts have been in Iraq since early this summer establishing the training site and conducting surveys for the locations of the four combat sites. The Iraqi Government has recently requisitioned the only apartment house "suitable for Western occupancy" in Baghdad, reportedly for use by Soviet personnel.]

[Under its third military assistance agreement with Iraq--signed in September 1961--the USSR also has agreed to provide air-to-air missiles for the [] Fishbed (MIG-21) jet fighters to be delivered later this year. In addition, the agreement includes anti-tank guided missiles. This is the first known instance in which Moscow has agreed to supply these missiles to a non-bloc country.]

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DAILY BRIEF

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Cuba - British Guiana: [Under an agreement negotiated during the recent visit to Cuba of British Guiana's Trade Minister Hubbard, up to 1,000 skilled sugar workers from the British colony will be sent to Cuba for next year's sugar harvest.]

[The agreement not only will help alleviate the increasing unemployment problem in British Guiana, but also will provide an additional channel for bloc influence there. The arrangement was foreshadowed in Premier Cheddi Jagan's public address last month when he said his government hoped to send unemployed workers to Cuba "to help the Cubans and to help ourselves." The shortage of experienced cane-cutters has been one of Cuba's biggest problems during the harvest period, which generally extends from January to May.]

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Spain: [Major steps will be taken "in the very near future" toward converting Spain's state-controlled national labor syndicates into a genuine free trade union organization, according to sources of the US Embassy in Madrid.]

[Francisco Gimenez Torres, a high official of the Bank of Spain and formerly the syndicates' national secretary general, said he was told by Vice President Munoz Grande that the syndicates should be freed immediately from state control and that all labor officials should be elected by workers. Gimenez Torres also predicted further cabinet changes, including dismissal of the present head of the syndicates, who has opposed labor organization reforms.]

[Gimenez Torres is visiting in the United States. He said he had been authorized by Franco to contact AFL/CIO leaders for advice and support.]

Chile: The unstable center-right government of President Alessandri appears to have foundered again in its efforts to stabilize the economy. The four cabinet members of the centrist Radical Party tendered their resignations on 14 September to protest a proposed currency devaluation. Unless a compromise is reached, Alessandri will retain only the support of two rightist parties. If the rightist-centrist split continues, victory in the mid-1964 national elections would almost certainly go to the Communist-dominated Popular Front and its presidential candidate, pro-Castro Senator Salvador Allende.

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DAILY BRIEF

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Cabinet Resignations Threaten Chile's Coalition Government

President Alessandri has not yet accepted the resignations of the four Radical Party cabinet members, and a compromise is still possible. However, the difficulties he has experienced with a cabinet of politically diverse members may lead him to attempt to govern with a cabinet of technicians from his own Conservative Party (PCU).

The middle-of-the-road Radical Party was invited to join the governing coalition of the PCU and the rightist Liberal Party in 1959 to forestall a move by Radical congressmen to override Alessandri's veto of wage-raise bills. Leaders of the Conservative and Liberal parties favor the currency devaluation, despite the loss of political support it would entail. The Radicals, however, have consistently opposed the move ever since it was proposed by the International Monetary Fund during last December's financial crisis.

Divisions in the Conservative-Liberal-Radical coalition will surely be exploited by the ebullient left, particularly the Communist-dominated Popular Front (FRAP). If the Radicals abandon the government now, the chances of healing the breach before the 1964 elections will be slim.

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The Under Secretary of State for Political Affairs

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